

**MANAGING HIGH PERFORMANCE IN AN ORGANIZATION
BY MEANS OF EMPLOYEE VALUE PROPOSITION
(CASE STUDY IN PT ISS INDONESIA)**

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Abstract-ISS Indonesia is a part of one of the world's largest facility service groups. Established in 1996 in Jakarta, ISS Indonesia has now become a leading cleaning and facilities service company. ISS Indonesia has five main business namely property services, cleaning, office support, catering, and security services. With more than 57.00 employees at total and cleaning services area as the biggest business of the company, the concern at the moment is to gain better performance. An engaged employee is the key to gain performance. When the employees did not perform at their best, we have to assess the lacking point from the employees.. As this research focuses in non- financial measurement, Employee Value Performance is the proven model that could determine employee engagement. The idea of this model is to search for an improvement in various employee expectation areas : leadership, job, development opportunity, rewards, fair value performance, culture and values.The result shows that all areas of the six variables need improvement. In the end, the improvement needed falls into Five Areas of Improvements: assignment improvement, evaluation and rewards improvement, team improvement, leader improvement, and training improvement.

Keywords: performance, Employee Value Proposition, improvement

1. Introduction

ISS Indonesia is a part of one of the world's largest facility service groups. Established in 1996 in Jakarta, ISS Indonesia has now become a leading cleaning and facilities service company, which has numbered more than 2000 customers and more than 53,000 of current employees. A hundred years ago, the ISS Group was founded as a Danish security company. Being the one of the world's largest Facility Support Service Groups, the company was founded in Denmark 1901. The company later entered the cleaning market and has through time added services to its competencies, becoming one of the worlds' largest facility service groups today. Worldwide ISS has more than 500,000 employees, and more than 125,000 business-to-business customers. ISS' aspiration is to advance the facility support services industry and lead it globally (ISS Website, 2012).

To maintain ISS' position and get higher achievements in their field, ISS have to adjust to the rapid movement of business world since the company works for other various organizations such as, entertainment places, offices, universities, schools, public services, etc. Every client will expect ISS to give their best and of course meet their standards. ISS should be able to maintain their performance, make innovation in their operation to make it more effective and efficient, and be flexible to any changes and transformations that occur in the client's environment. This means increasing employee's performance and talent as human resources are their main assets.

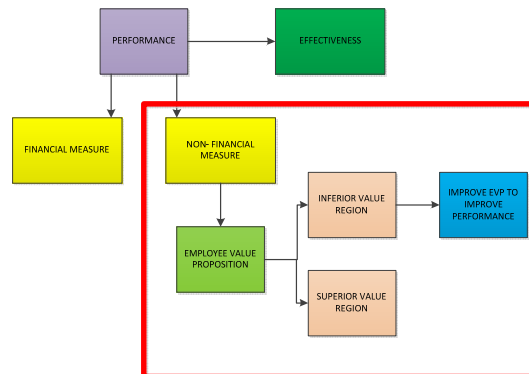
A new employee means a new resource to be trained from the beginning. There is no guarantee that the new employee's performance will be better than the previous, and the client will like them. A continuous change in teams in one place will led the client to be confused and dissatisfied, and a dissatisfied customer will led to degradation in company's performance and possibly their prospect in the future. More to that, many new competitors are trying to enter the market, so ISS has to improve and be better and satisfying their clients.

To avoid waste of training, the employee needs to be maintained carefully. The idea is to get the employee to be engaged with the company, and the engaged employees will not only stay longer, but also performed better. A well- performed employee will result in effectiveness of many resources and activities.

This research focuses in the operator level area in cleaning division. The reason is because operator level area is the area with most employees and a crucial one since they are the ones facing customers every day.

2. Business Issue Exploration

a. Conceptual Framework



This figure shows the concept of this research. After serving for the company, the employee will have influence on the company's overall performance. Moreover, since this company is a service provider company, the employees is the ones interact with the customers. So the performance of one employee could affect customer's satisfaction of the company. Engaged employees will be resulted in better performance and motivation to work for the company. Therefore, the company needs to meet employee's expectation while still maintaining company's whole business. Company's business performance can be measured in ways, using financial and non- financial measurement. Since this research ruling out the use of financial statements, so the focus will be on non- financial measurement.

Employee value proposition has been suggested to be a determinant of employee engagement and retention, both of which have an impact on critical business outcomes (Heger, 2007). This linkage will be used as a basic to find whether there are ineffectiveness problem leads to lack of best performance.

b. Employee Value Proposition Theory

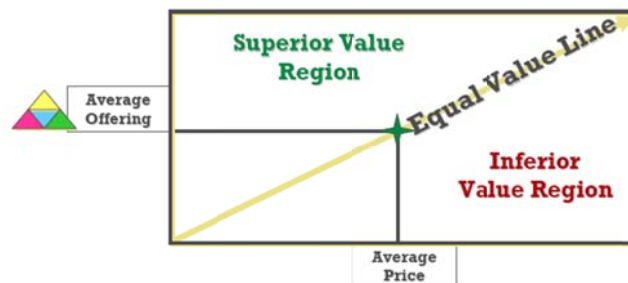
An EVP specifies what an employee would get if he or she fulfills the expectations of him or her. The China Executive Board, a research organization, defines it as the set of attributes the labor market and employees perceive as the value they gain through employment with an organization. The author finds it useful because it encapsulated all the components that HR was performing on a daily

basis to satisfy the needs of the employees and to attain the company's goal of maximizing human capital for growth.

There are some important characteristics that must be considered when building an EVP:

1. The Leadership → The ability to motivate others, and the ability to build an environment of trust.
2. The Job → The impact of the job and whether it fits the employees or not.
3. The Development Opportunity → Training and nurturing of people who have been acquired to realize their full potential.
4. The Fair Performance Evaluation
5. The Rewards → The weapon to engage employees and raise the bar to achieve growth and sustainable performance.
6. The Culture and Values → Working environment, people relationships, teamwork, respect and care, brand, organization size, market position.

According to this theory, employees pay in the terms of their energy, sweat, time to work in the company. In return, they will get benefit and rewards from their employer. Relative intersection of these two factors determines the extent to which the employees perceive the employment value proposition as **superior or inferior** (see Figure 2). The company must have value proposition that the employees feel superior, or at least falls in the equal value line. Value proposition that is in the inferior value region needs to be fixed. This in turn affects the extent to which the employee is likely to be attracted and stay with the company. The model that is used for this research can be defined like below (Steward, 2012) :



c. Methodology

To develop the Employee Value Proposition Model, there are two types of methodology used. Dependent variable is the variable of primary interest to the researcher (Sekaran, Bougie, 2011 : 70). This research's dependent variable : Performance ; Independent variable is one that influences the dependent variable in either a positive or negative way (Sekaran, Bougie, 2011 : 72), in this case the independent variable is : Employee Value Proposition.

The first methodology is the quantitative methodology through questionnaire which is developed based on the variables in EVP and using price as comparison variable. There are 40 questions in total, picturing six EVP variables and one comparison variable. The sample used in this research is taken randomly, totaling 174 valid samples. The second methodology is qualitative methodology to analyze the variables that falls into inferior value region area.

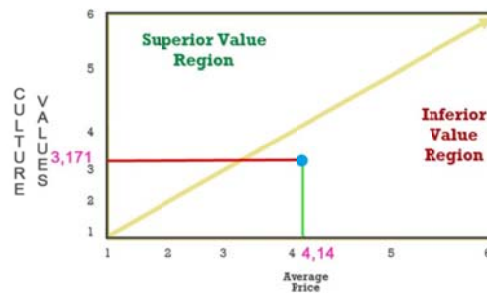
d. Data Processing

Below is the counting of questionnaire answer for each sub- variables.

1. Leadership : 3,91
2. Job : 3,71
3. Development Opportunity : 3,456
4. Fair Performance Evaluation : 3,715
5. Rewards : 4,12
6. Culture and Values : 3,171
7. Price : 4,15

If these data is to be put in the diagram, the result will be six diagrams containing one EVP variables each. The analyzed result for each variable in the sequence from lowest value is as follows:

Culture and Values

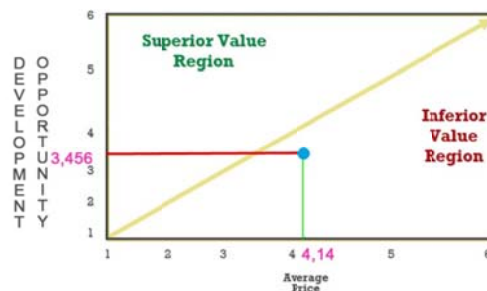


This figure shows the result for culture and values variables research. Culture and Values scores the lowest, therefore it becomes the most important concern that needs to be improved. There are seven factors in the culture and values that needs to be improved :

1. You like the place where you assigned
2. It is not hard for you to adapt in the place where you are assigned
3. You have a good relationships with your co- workers
4. You have a good relationships with your superiors
5. Everyone works as a team and cooperate well
6. You feel respected and valued by your co - workers
7. You feel respected and valued by your superiors

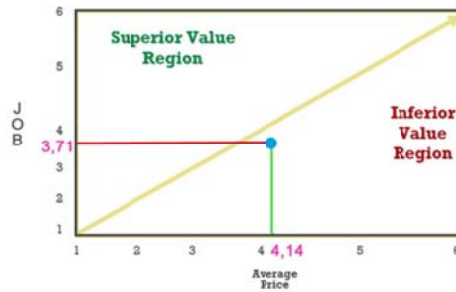
These factors may influencing several other factors such as fair value performance, respect, the objectivity for promotion, relationship, and the ability to adapt.

Development Opportunity



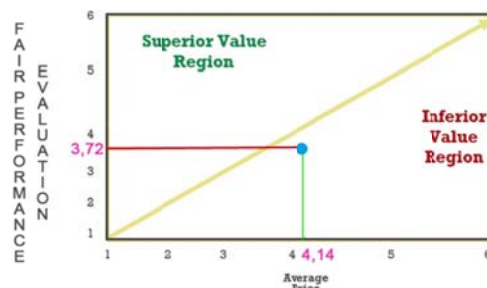
As shown in pthe figure above, development opportunity variable falls in the inferior value region. This sub- variable is lacking in 4 areas : arrangement for promotion, political and personal issues that occurs in the company, opportunities to learn, and opportunity to study. The last area should bring positive impact for the company since it means that the employee is choosing to stay rather than taking another degree.

Job



Job is also one of EVP variables that resulted in the inferior region area. This variable takes concern on the match between job and capabilities, interest to move for another job offer, and the time management. From this answer the first conclusion is that the company is actually good enough for the employees since they are hesitating to move, but there is something wrong in the internal environment of the company. As the employees also stated about lack of abilities, the company should consider adding more training and knowledge management for them.

Fair Performance Evaluation

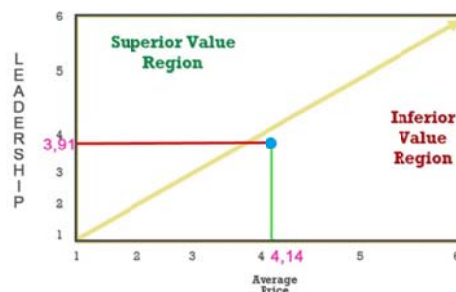


There are two points in fair performance evaluation that is highlighted and the two points are having similar and aligning means one another, namely:

1. The evaluation of the performance is done fairly
2. Promotion is given based on performance, and not based on other factors

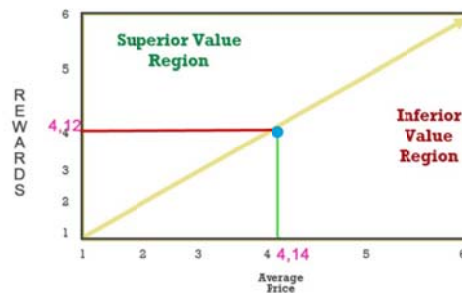
This area specially needs leader's ability to treat the employees and evaluate them with objectivity.

Leadership



The lowest point from leadership element that needs to be modified is the interpretation of leader as a **role model**. This means the employees have not yet respected their leaders as a good example figure. The problem may surface in the competency, integrity, inspirational behavior area.

Rewards



As for rewards sub- variable, it falls not far from the price variable. Nonetheless, this is still the equal value line, does not mean that this area is already at its best. There are still improvements needed. The low points in this area are housing allowances and retirement benefits. Since the employees did not get any housing allowances, it is better if the company consider their living places when assigning them for the jobs since it will affect their transportation cost and time needed to go to work. Retirement benefits is actually given, therefore not all the employees understands, the company needs to be clear about this so that the employees understand the benefits they are getting.

3. Business Solution

Five Areas of Improvement Plan

For each and every factors that lacks point in the diagram, the company needs to find solution for its improvement. Since there are many factors that is actually interacts one another, the strategy to improve can be formulated into **Five Areas of Improvement Plan**.



The five areas of improvement plan build above is the outline of the strategies developed to improve the quality of employee value performance on ISS Indonesia. All five of them is the improvement plan for the six variables that attracted each other, so all of it are equally important. Below are the elaborations of each plans :

Assignment Improvement

- Comfortable for the employees
- Considers their living area
- Considers about transportation

Evaluation and Rewards Improvement

- Evaluation of the relationship
- Clear statement of rewards and promotion measurement
- Tell the employees transparently

Team Improvement

- Solid team building
- Every person has to give contribution
- Everyone included in decision regarding their work

Leader Improvement

- Fair, equal and objective
- Motivational
- Viewed as part of the team

- Know how to praise, say thank you, give task politely, evaluated without sounding criticizing
- Positive body gestures

Training Improvement

- Additional training for employees
- Additional training for leaders

4. Implementation Plan

No matter how perfect the design of human resource management we have, the result will rely on how it fit the other party. Designing a set of plan for human being is different from designing products, what materials will be used, how many will we have to produce. Designing plan for human being is about understanding each and every single one brain, therefore the more employees we have, the more complicated it is to please everyone. To do this, we first have to make priorities, of what is the most important thing for the company. In ISS Indonesia, the most important is the lower level employees since they are the ones that directly interact with the customer. This makes the lower level employees as an asset to the company. So now the company has to realize that they are maintaining their asset, how to keep their asset while running the business.

Based on the solutions above, we can make implementation plans as follows:

Assignment Improvement

- Since ISS has many types of customers, and each of them are given different services based on what they need and the contracts of the company, then this could be also applied on the employees. Decide on the levels of the customers based on the location (prestigious areas, big building, guest visits) and the employees could be assigned based on their performance. The better their performances are, the better place they could be assigned to.
- Since they did not give housing allowance, the company has to consider their living place and transportation needed. Make the employees give information about the place they live and transportation vehicles they are using. Also can be asked they're preference of assignment places for consideration.

Evaluation and Rewards Improvement

- The relationship between workers has to be good in order to create a positive working environment. Because this is an important focus, so the relationships need to be observed and evaluated. The role of the leader is to see whether the workers give positive impact on the working atmosphere, the better their relationships, the better the teamwork, and it will also be seen as good in the eyes of the customer and guests.
- In every monthly/ annual meeting, it is important to remind the employees of their targets. In these meetings also the leaders need to tell employees how to reach the rewards and promotion. To gain motivation, the leaders could also give a preview of the employees that is already on track and need to continue the good work, so everyone get a preview of the rewarding and promotion given.

One theory says that employees determine feelings of equity by comparing their own outcome/ input ratio to the outcome/ input ratio of some other person, namely the **equity theory**. This theory has three equity evaluations:

- Underreward inequity – people believe their outcome/ input ratio is lower than the comparison other's ratio.
- Equity – people believe that their outcome/ input ratio is similar to the ratio of the comparison other.
- Overreward equity – people believe their ratio of outcomes/ inputs is higher than the comparison other's ratio.

In the case of inequity, people are motivated to reduce the emotional tension (McShane, Glinow, 2010, 153).

Team Building Improvement

- A team is made in every beginning of one's work. First impression of a team is very important and could affect the performance of an employee. Especially for a new employee assigned at an already established team. As mentioned before, a good team will create a good atmosphere, so the good team needs to be rewarded, in other words, the team will be evaluated. In order to create a good team, it needs a team building periodically. It did not to be expensive, just a simple dinner or vacation with all team members and leaders, outside the work will do.
- The leader has to arrange so that every single person in the team have contribution. They could form a small team inside the big team for the shifts, in which they each given role to inspect each other's work, to simply give input for the result of the work. Such activities will also make the employees trained to speak their mind, and be honest with each other. On the other hands, this will also be an input for the leaders in evaluating works.
- Since the workers are the ones who have to do the job, and this kind of job needs a lot of stamina and time, they should be included in the shift scheduling decisions. A briefing and meeting together with the whole team periodically to form the assignment can be done so the leaders will also get input on how the employees expected their work scheduled. The role of leaders here is to keep the plans on track, let everyone get equal tasks, and evaluated the effectiveness of the schedules applied at the moment.

Leader Improvement

As already mentioned in leadership variable on chapter 2, there are "The Five Practices of Exemplary Leadership" (Kouzes, Posner, 2002 : 23) :

1. Model The Way
2. Inspired a Shared Vision
3. Challenge The Process
4. Enable Others to Act
5. Encourage The Heart

These practices basically sum up the things that are needed from the leaders. These five practices should be trained to the leaders in order to achieve their improvements :

- Model the way, can be achieved by first finding the values to be a leader. A leader must have the same values as the company, and then give example to the employees while embracing the same goals.
- Inspired a shared vision is to show the employees the future of their job as well as the future of the company, what are the chances of working in the company. It is important to align company's vision with individual's vision.
- Challenge the process, is about innovating the routines to be more challenging. Just like what have been mentioned in 4.1.2 about giving the ordinary cleaners a special responsibility. The role of leaders is to realize that the special responsibility is to motivate the work of cleaners, but it is not the main job. Also, need to be reminded that this is a challenge process, so leaders have to learn how to praise if one job is done well, as well as learning from the mistakes.
- Enable others to act, still aligning with the previous point, not everything has to come from the leader, but the leader has to be able to push everyone to give their best. Sometimes the idea that pours from the one that is actually doing the job is more realistic than the idea that comes from theory.
- Encourage the heart, is to create a community spirit by recognizing every individual development and achievement. The leader has to be able to create a small win that will motivate the employees to create bigger wins.

Training Improvement

- The training for employees is needed especially for two things: the first one is to increase ability of the employees so that the work can be done more effective and efficiently, and the second is to develop company's performance so that customer's satisfaction can be higher. Because there are so many employees and it is costly, this training could be treated as a reward for the employees. Employees who give well performance will be given training, and after finishing each of the training they will be certificated.
- The type of training that is needed for operator level staff is defined as "generic competencies". The areas of training to increase generic competencies include interpersonal skills, employee relations, customer relations, specific language skills, effective presentation, effective negotiation, general IT skills, and finance for non- finance employees (Noe, 2012).
- The training for leaders is basically to achieve the purpose stated on point 4.1.4. To train leaders, it is better to use outside experts in such areas, also a motivational speaker to gain motivation and in the same time learn how to motivate.

Based on the result of the EVP Model, it is known that the lowest point of EVP in PT ISS Indonesia lies in the areas of culture and values. This area consists of several main concerns such as:

1. The relationship between worker and co- workers/ leaders.
2. The respect act occurs between worker and co- workers/ leaders.
3. The adaptation process of the employees in the company

Some part of the concept of cultural web introduced by Gerry Johnson (Palmer, 2009 : 138) can be used to implement the cultural solution for PT ISS Indonesia. This concept intersects the Employee Value Proposition Model in two aspect, those are ritual and routines, and power structures. By using this theory, the implementation of solution for PT ISS Indonesia could be as follows:

1. **Month 1: Power structures** ==> Issue a decree which consists of the granting of authority from top management to the operational team about daily decision making and supervising such as working coordination or work output evaluation turns between member of the teams. **Ritual and Routines** ==> Create an embed culture between employees such as morning prayer, weekly sharing, etc.
2. **Month 3:** First evaluation of the new implemented solution. This is used to figure out if the plans work properly or need adjustment
3. **Month 6 and 9:** Second and Third evaluation of the implemented solution. This is used to make sure that the plan is still worked, so that in the end of the first period, the evaluation effectiveness result can be done accurately.
4. **Month 12:** End of period evaluation, this could be another research to see employee's view of the relationship and the respect between the member of the organization. The purpose is to see if the EVP value has any progress, and evaluate whether the program gives benefit or not.

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